

DLA FO PROCESS IMPROVEMENT MEETING

DEFENSE LOGISTICS AGENCY



Property Accountability

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DLA-FOXS**



DLA FO Process Improvement Meeting

Overview

- PP&E Background
- PP&E Weaknesses
- DLA Actions to Improve PP&E Reporting
- DLA Field Audit Initiatives





DLA FO Process Improvement Meeting

PP&E Background



- DoD identified property accounting as a high-risk area in FY 90.
- All Property, Plant and Equipment (PP&E) with a useful life of 2 or more years and meeting the minimum capital threshold (currently \$100,000) must be capitalized.
- In FY 92, selection of and migration to a property accountability system was mandated.



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PP&E Weaknesses

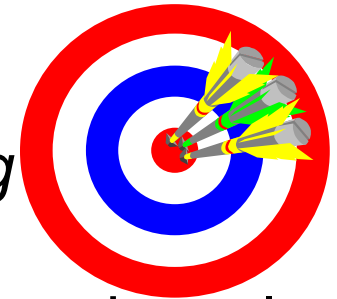


- All PP&E may not be recorded in the Defense Property Accountability System (DPAS).
- Lack of reconciliation between financial and supply property records.
- Lack of reconciliation between the Defense Business Management System financial records and DPAS records.



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DLA Actions to Improve PP&E Reporting

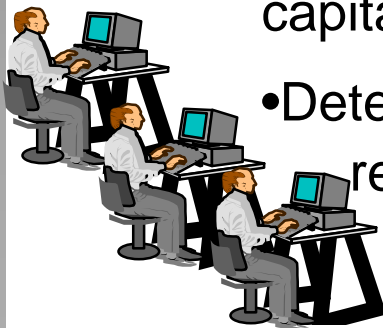
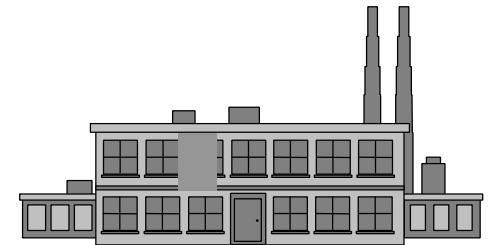


- DLA performed asset inventory and entered results into DPAS.
- DLA personnel attempted to resolve known weaknesses in financial reporting of PP&E.
- DLA Field Auditors now getting involved.



DLA Field Audit Initiatives

- Determine if DLA included all capitalized accountable property in DPAS.
- Determine if the reported property value was supported by written documentation.
- Verify that DLA classified the properties correctly.
- Determine if the assets were reasonably accounted in the financial statements.
- Assess the internal controls of capturing all capitalized property in DPAS.
- Determine if DLA activities comply with laws and regulations.



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PROPERTY ACCOUNTABILITY

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